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Message Text

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51
ACTION XMB-07

INFO OCT-01 ARA-16 EUR-25 ISO-00 EB-11 COME-00 TRSE-00

OMB-01 L-03 SCI-06 INT-08 FEA-02 CIAE-00 INR-10

NSAE-00 RSC-01 DRC-01 /092 W
---------- 062325
P R 231840Z APR 74
FM AMCONSUL CURACAO
TO SECSTATE WASHDC PRIORITY 1796
INFO AMEMBASSY THE HAGUE

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FOR EX-IM BANK
FOR WAUCHOPE - ARA/LA-/CAR

3.O. 11652: N/A
TAGS: EIND, ETRN, EFIN, NA
SUBJECT: PROPOSED SHIPYARD CONSTRUCTION ON CURACAO

REF: CURACAO'S 0188; STATE 77690

1. IMMEDIATELY UPON RECEIPT OF STATE 77690 CONGEN
PRESENTED THE QUESTIONS TO GOVERNOR KIBBELAAR WITH THE
REQUEST THAT HE ASSIST IN PROVIDING THE ANSWERS TO THE
SPECIFIC QUESTIONS RAISED REGARDING THE PROPOSED EX-IM BANK
LOAN FOR A SHIPYARD ON CURACAO.

2. SATURDAY, APRIL 20, 1974 PRIME MINISTER JUANCHO
EVERTSZ CHAIRED A SPECIAL MEETING ATTENDED BY MINISTER OF ECONOMIC
AFFAIRS C.D. KROON, GOVERNOR E.A. KIBBELEAR, DIRECTOR OF
FINANCE D.E. CALVO, DIRECTOR OF DEPARTMENT OF ECONOMIC
AFFAIRS DRS. T. THYSSEN, PRESIDENT OF THE CENTRAL BANK
V.M. SERVAGE, CONSUL GENERAL HARRY M. LOFTON, AND ECGNGMIC
OFFICER DONALD KREISBERG. BELOW ARE THE REPLIES (FINAL
FIGURES PROVIDED TODAY) PROVIDED BY THE GNA TO THE SPECIFIC
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QUESTIONS RAISED IN REFTEL:

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(A) NO ADDITIONAL ACTION NECESSARY. THE TAX IS NOW IN EFFECT.
(B) TAX WILL BE CALCULATED ON CAPACITY BASIS OF REFINERIES EXPRESSED IN METRIC TONS AND MULTIPLIED BY NETHERLANDS ANTILLES FLORINS (NAF) 6.10 TO OBTAIN PROFIT ON WHICH NORMAL TAX RATE OF 39.1 PERCENT IS APPLICABLE. IN 1976 NAF 6.10 WILL BE ALTERED TO NAF 4.06.
(C) NOT AVAILABLE AS YET. GNA IS PRESENTLY ATTEMPTING TO OBTAIN THESE FIGURES. NEITHER THE CONGEN NOR THE GNA CAN ESTIMATE WHEN THEY WILL BE AVAILABLE.
(D) PROJECTED GNA TOTAL FIGURES (IN MILLIONS OF NAF):

1973 126.2
I 1974 131.1
1975 156.9
1976 166.0
1977 176.0

(E) ESTIMATED AND PROJECTED GNA RECURRENT AND CAPITAL EXPENDITURES:

	RECURRENT	CAPITAL EXPENDS.	TOTAL
1972	124.0	5.6	129.6
1973	118.5	11.7	130.2
1974	131.3	8.9	140.2
1975	142.8	9.4	152.2
1976	151.3	9.4	160.7
1977	160.6	9.4	170.7

(F) THERE IS NO LEGISLATIVE RESTRAINT ON THE USE OF FUNDS GENARATED BY THE TAX ON THE OIL COMPANIES. THE INTENTION OF THE CENTRAL GOVERNMENT IS TO USE THE ADDITIONAL REVENUE PARTLY TO COVER THE BUDGET DEFICIT OF THE ISLAND TERRITORIES WITH THE BALANCE TO BE USED BY THE CENTRAL GOVERNMENT AS IT DESIRES.
(G) GNA EXPECTATION IS THAT DUTCH AID PROGRAM FROM 1972 TO 1976 WILL NOT BE AFFECTED. IN VIEW OF PREPARATION FOR INDEPENDENCE, GNA IS OF THE OPINION AID PROGRAM WILL AT LEAST MAINTAIN SAME LEVEL UNTIL 1976 AND WILL BE ENLARGED THEREAFTER.
(H) AT PRESENT THERE ARE NO PLANS WHATSOEVER FOR FOREIGN BORROWING BY GNA.
(I) CONGEN IS UNABLE TO OBTAIN THESE FIGURES.
(J) WITH REFERENCE TO GOV. KIBBELAAR'S TELEX TO EX-IM BANK RE SHIPYARD, GOV. KIBBELAAR STETES THAT HE SENT THIS LIMITED OFFICIAL USE

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TELEGRAM TO PREVENT ANY UNAUTHORIZED PERSONS FROM SEEKING PROFIT THROUGH COMMISSIONS BY INVOLVEMENT IN THE SHIPYARD PROJECT OR ASSERTING ANY CLAIM ON THE GNA OR THE ISLAND OF CURACAO. OOVBM KIBBELAAR FURTHER STATED THAT THE GOVERNMENT OF CURACAO IS A MAJOR STOCKHOLDER IN THE PROPOSED SHIPYARD, THE ISLAND COUNCIL HAVING VOTED DOLS. 4 MILLION TO BE PLACED IN ESCROW FGR INVESTMENT IN THE PROJECT. GOV. KIBBELAAR HAS BEEN DESIGNATED BY THE

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ISLAND COUNCIL AS THE PROJECT LEADER FOR THE SHIPYARD AND OPERATES WITH THE FULL KNOWLEDGE AND CONSENT OF THE GNA. GOV. KIBBELAAR DOES NOT HAVE THE AUTHORITY TO COMMIT THE GNA AS A GUARANTOR OF THE LOAN. ONLY THE COUNCIL OF MINISTERS OF THE GNA HAS THIS AUTHORITY. IN THIS MATTER ALL CONTACTS CONCERNING THE COMMITMENT MUST BE MADE WITH THE PRIME MINISTER OF THE GNA. HOWEVER, GOV. KIBBELAAR WILL CONTINUE TO BE THE PROJECT LEADER AND OPERATE IN FULL COOPERATION AND WITH THE CONSENT OF THE GNA.

3. WITH REGARD TO FIGURES IN PARAGRAPH 1.D AND 1.E, GNA STATES THAT ESTIMEATS ARE EXCLUSIVE OF INFLATIONARY EFFECTS AS FROM 1975. SINCE GNA POLICY IS TO AVOID BUDGET DEFICITS, IT WILL TAKE MEASURES TO BALANCE BUDGET WHEN NECESSARY AS RESULT OF INFLATION.

4. COMMENT: FOR RESONS STATED IN CURACAO'S 0188, CONGEN CONTINUESTO FIRMLY BELIEVE IN THE DESIRABILITY OF THIS PROJECT AND RECOMMENDS APPROVAL AS SOON AS POSSIBLE.
LOFTON

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To: STATE
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